GOVERNMENT OF INDIA
TEXTILES
LOK SABHA

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SICK SSI TEXTILES UNITS
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Will the Minister of TEXTILES be pleased to state:

(a) whether the number of sick SSI textile and garment units has increased over three-folds since 1998;

(b) if so, the number of such sick units at the end of March, 1998 compared to March, 2001;

(c) the main reasons for such sickness, indicating the main competitors including foreign competitors operating in this field; and

(d) the steps taken to revive and strengthen these industries ?

Answer

MINISTER OF TEXTILES (SHRI KASHIRAM RANA)

(a) & (b) The number of sick textile units including RMG is as under :

Particulars	(As on March)		
	1998	1999	2000
Total SSI sick textile units including RMG +	11065	24306	25764

+ Source - Reserve Bank of India

The Reserve Bank of India has still not compiled the figures as on March 2001.

(c) Sickness is attributed to various factors, including inter alia, inadequacy of credit, technological obsolescence, marketing problems, lack of adequate infrastructure, managerial deficiencies, etc. Since import of textiles including RMG constitute less than 1% of total domestic consumption, it is not one of the main reasons for sickness.

(d) Measures to facilitate timely identification and rehabilitation of potentially viable sick industries include institutional mechanism in the form of State level Institutional Committees, special rehabilitation cells in the banks and State Financial Institutions and elaborate guidelines of the Reserve Bank of India for extending rehabilitation assistance to eligible units. Further, to strengthen the SSI sector and enhance its competitiveness the Government has announced a comprehensive policy package consisting of inter-alia enhanced fiscal and credit support, better infrastructural marketing facilities and incentives for technology upgradation.